NATIONAL RECOVERY ADMINISTRATION

DIVISION OF REVIEW

EVIDENCE STUDY

NO. 40

OF

THE TRUCKING INDUSTRY

Prepared by

WILLIAM L. FULTON

September, 1935

PRELIMINARY DRAFT

(NOT FOR RELEASE: FOR USE IN DIVISION ONLY)

THE EVIDENCE STUDY SERIES

The EVIDENCE STUDIES were originally planned as a means of gathering evidence bearing upon various legal issues which arose under the National Industrial Recovery Act.

These studies have value quite aside from the use for which they were originally intended. Accordingly, they are now made available for confidential use within the Division of Review, and for inclusion in Code Histories.

The full list of the Evidence Studies is as follows:

1. Automobile Manufacturing Ind.
2. Boot and Shoe Mfg. Ind.
3. Bottled Soft Drink Ind.
4. Builders' Supplies Ind.
5. Chemical Mfg. Ind.
6. Cigar Mfg. Industry
7. Construction Industry
8. Cotton Garment Industry
9. Dress Mfg. Ind.
10. Electrical Contracting Ind.
11. Electrical Mfg. Ind.
12. Fab. Metal Prod. Mfg., etc.
13. Fishery Industry
14. Furniture Mfg. Ind.
15. General Contractors Ind.
16. Graphic Arts Ind.
17. Gray Iron Foundry Ind.
18. Hosiery Ind.
19. Infant's & Children's Wear Ind.
20. Iron and Steel Ind.
21. Leather
22. Lumber & Timber Prod. Ind.
23. Mason Contractors Industry
24. Men's Clothing Industry
25. Motion Picture Industry
26. Motor Bus Mfg. Industry (Dropped)
27. Needlework Ind. of Puerto Rico
28. Painting & Paperhanging & Decorating
29. Photo Engraving Industry
30. Plumbing Contracting Industry
31. Retail Food (See No. 42)
32. Retail Lumber Industry
33. Retail Solid Fuel (Dropped)
34. Retail Trade Industry
35. Rubber Mfg. Ind.
36. Rubber Tire Mfg. Ind.
37. Silk Textile Ind.
38. Structural Clay Products Ind.
39. Throwing Industry
40. Trucking Industry
41. Waste Materials Ind.
42. Wholesale & Retail Food Ind. (See No. 31)
43. Wholesale Fresh Fruit & Veg.

In addition to the studies brought to completion, certain materials have been assembled for other industries. These MATERIALS are included in the series and are also made available for confidential use within the Division of Review and for inclusion in Code Histories, as follows:

44. Wool Textile Industry
45. Automotive Parts & Equip. Ind.
46. Baking Industry
47. Canning Industry
48. Coat and Suit Ind.
49. Household Goods & Storage, etc.(Dropped)
50. Motor Vehicle Retailing Trade Ind.
51. Retail Tire & Battery Trade Ind.
52. Ship & Boat Bldg. & Repairing Ind.
53. Wholesaling or Distributing Trade

L. C. Marshall
Director, Division of Review

CONTENTS

CONTENTS (Cont'd)

-oOo-

TABLES

Page

Page

-oOo-

THE TRUCKING INDUSTRY

Foreword

The characteristics of the Trucking Industry -- its decentralization, and the fact that the small capital investment necessary to enter the business is conducive to many small enterprises -- have made it exceedingly difficult to collect adequate information concerning it.

Published government data regarding the Industry are extremely meagre, for government agencies have made little effort to collect such information. The Federal Coordinator of Transportation has recently collected data concerning the various types of carriers and the kinds of commodities carried in the Trucking Industry. The number of trucks registered in the various states has been collected by the Bureau of Public Roads of the Department of Agriculture. This Bureau has also made a survey of traffic on the federal-aid highways of 11 western states, which throws light on the extent of interstate trucking activities in those states.

The Bureau of Labor Statistics made an hours and wages study of for-hire truck employees by states, as of July 1933, and another for unionized chauffeurs, teamsters, and drivers, as of May 15, 1932, and May 15, 1933. No labor data for the entire Industry exist.

The American Transportation Problem, a study made by the Brookings Institution in 1933, deals slightly with the Trucking Industry, and pertinent data from this study have been incorporated in this report. A very small portion of the data contained in the annual publication of the National Automobile Chamber of Commerce, Facts and Figures of the Automobile Industry, are applicable to the Trucking Industry, and some of these are reproduced in Chapter II.

Much of the information called for by the outline for evidence studies could be obtained only from the Statistical Division of the American Trucking Associations, Inc., which acted as agent for the National Code Authority for the Industry. So far as the author knows this is the only organization that has made any attempt to analyze the for-hire Trucking Industry on the basis of the interstate and intrastate activities of its members. Considerable data from this analysis have been incorporated in this report. While complete coverage of the Industry was not obtained, due to scattered opposition to the Code and to poor organization of some of the State Code Authorities, a coverage of about 75 per cent of the Industry was obtained and this is considered sufficient to give a fairly reliable picture of the Industry as a whole. (This statement is based on the assumption that there are in all approximately 450,000 for-hire trucks.)

None of the data presented in this report are inclusive enough to include teams and drays, because data covering this part of the Industry do not exist. This deficiency is not considered serious, however, since only a very minor part of the Industry is involved.

The material has not been presented in the precise manner called for by the outline because of the inapplicability of the outline to non-manufacturing industries. In addition, certain sections called for have been omitted because of the lack of pertinent data or information.

Chapter I

THE NATURE OF THE INDUSTRY

Code Definition of the Industry

The Trucking Industry is defined by the Code of Fair Competition for that Industry to mean the transportation of property and all services ordinarily incidental thereto in connection with any trade, industry, or business to the extent that such transportation is over publicly used roadways by vehicles for hire. There are a few exceptions to this, the details of which are given in the Code.

Nature of the Industry

During the past decade, the transportation of property over the public highways has assumed significant proportions. This period has seen the development of the motor truck, with the result that the type of vehicle most commonly used is now the truck rather than the animal-drawn vehicle. Use of the latter, and the contemporaneous improvement of highways, have operated to enlarge the field of trucking activities to many times what that sphere was when practically all trucking was done by teams and drays. While trucking was formerly accessory to other methods of transportation, it has now become a strong competitor with them.

Undoubtedly trucking is an essential part of the nation's distribution system, and it is recognized by the laws of many states as a public utility. The amount of control exercised, and the matters to which that supervision is directed, vary with the individual state. The power to require freight motor carriers to obtain a route certificate, or permit, before beginning operations; the power to regulate the rates charged by common and contract carriers; and the power to prescribe the conditions under which motor carriers may use the highways of the state, are examples of the authority which a number of states exercise over trucking operations.

Total Number of Freight Motor Vehicles

The total number of trucks engaged in transporting property over the highways is not definitely known. In The American Transportation Problem, published by the Brookings Institution in 1933, it was estimated that there were approximately 3,500,000 trucks in use.

Most of the statistics relating to motor truck registration within the United States are based upon state registration figures. Due to differences in classification, registration of the same vehicle in more than one state, the fact that some states have not required the registration of trailers, and to other reasons, the aggregate of the state registration figures can not be taken to indicate the exact number of trucks and trailers. Data showing total freight motor vehicle registration in the United States are shown in Table I.

TABLE I

Registration of Freight Motor Vehicles
in the United States, 1929-1934

Year a/	Trucks and Tractors b/	Trailers c/
1929	3,379,854	193,044
1930	3,480,939	262,507
1931	3,466,080	349,930
1932	3,231,752	412,998
1933	3,266,747	472,789
1934	3,409,335	615,315

Source: Department of Agriculture, Bureau of Public Roads.

a/ As of December 31 of each year.

b/ Includes some buses which are registered as freight vehicles in some states.

c/ Includes passenger car trailers.

Total Number of For-Hire Freight Motor Vehicles

The Brookings Institution in the study cited above, estimated that of the 3,500,000 trucks in use, 1,000,000 were farm-owned, and 2,000,000 privately owned. The number of for-hire vehicles was thus placed at approximately 500,000.

A similar estimate has been made by the Bureau of Public Roads of the Department of Agriculture. A traffic survey which the Bureau of Public Roads 1/ made in 1930 in 11 western states indicated that of the 180,000 trucks concerning which information was compiled, approximately 14.2 per cent were operated either as common or as contract carriers. The Bureau's compilation of state motor vehicle registrations for the calendar year 1934 shows the total number of freight motor vehicles thus registered was 3,409,-335. Due to overlapping of registrations, and for other reasons as explained by the Bureau, that figure is not a statement of the actual number of vehicles. Assuming this actual number was approximately 3,000,000, and the ratio of 14.2 per cent was applicable to the country as a whole, it is estimated that the total number of for-hire trucks approximated 450,000.

The Statistical Division of the American Trucking Associations, Inc., has also estimated the present total number of for-hire trucks to be 450,000. This figure is based upon the data in the above-mentioned survey of the Bureau of Public Roads.

Number of For-Hire Freight Motor Vehicles Registered Under the Code

The Code of Fair Competition for the Trucking Industry required that the for-hire members of the Industry register with the Code Authority. During the fiscal year ending February 15, 1935, the total number of for-hire trucks so registered was 300,475, or about two-thirds of the estimated

1/ United States Bureau of Public Roads, Report of a Survey of Traffic on the Federal-Aid Highway Systems of Eleven Western States (1930).

total of 450,000.

Geographical Distribution of For-Hire Freight Motor Vehicles Under the Code

Table II shows the geographical distribution of the registrants. It will be noted that nearly half of the total vehicles registered were concentrated in the Middle Atlantic and East North Central states.

TABLE II

For-Hire Trucks Registered Under the Code, by Regions, 1934 a/

Region	For-Hire Vehicles Registered	
	Number	Per Cent of Total
New England	34,021	11.3
Middle Atlantic	66,740	22.2
East North Central	77,187	25.8
West North Central	38,972	13.0
South Atlantic	23,874	7.9
East South Central	8,200	2.7
West South Central	12,387	4.1
Mountain	11,611	3.9
Pacific	27,483	9.1
Total	300,475	100.0

Source: American Trucking Associations, Inc., Statistical Division.

a/ For fiscal year ending February 15, 1935.

American Trucking Associations, Inc., has stated that in some states practically all for-hire trucks were registered, while in others, due either to local opposition to the Code or to inefficient Code machinery, the number of trucks registered was only a fraction of the total. Estimates of the number not registered range from 50,000 to 200,000. This latter figure represents approximately the difference between the estimate of 500,000 trucks as made by the Brookings Institution and the actual registrations.

Number of Registrants Under the Code

The number of registrants reporting these vehicles is not definitely known, but the National Trucking Code Authority, in analyzing the registrations under the Code, found that 165,842 registrants operated 267,532 vehicles, or an average of 1.61 vehicles per registrant. Assuming that this average is applicable to the total number of for-hire vehicles registered, it is estimated that the 300,475 for-hire vehicles were owned by approximately 186,630 operators.

Number of Trucks per Registrant Under the Code

The large majority of motor trucks were owned by individuals who were owners of one truck only. The 1928 edition of Automobile Facts and Figures states that in 1927 there were 1,896,886 owners of one truck each, and only 272,000 owners of two or more trucks.

As stated above, the analysis of a large sample of registrations of for-hire vehicles under the Code indicated an average of 1.61 trucks per registrant. Louisiana showed the highest average in number of cars per owner--450 registrants reporting 1,208 trucks, or an average of 2.68 trucks per owner--while the lowest average was found in Maine, where 8,916 registrants reported 7,864 trucks, or an average of 1.11 per owner.

Classification of Operators by Nature of Business

The operators of for-hire freight motor vehicles may be classified according to the nature of their business, as follows:

Common carriers, or those operators who hold themselves out to serve the public. The service of these operators may be over regular routes or over irregular routes.

Contract carriers, or those operators whose transportation services are performed under specific contract.

Commodity carriers, or a group recognized in the regulatory provisions of the laws of some states, who handle certain specified commodities.

Anywhere-for-hire operators, who hold themselves out to serve the public, but do not maintain any scheduled service or fixed routes. Their operations partake of the character of both contract carriers and common carriers over irregular routes.

City cartage, which in some cases crosses state lines.

Mixed types, including two or more of the foregoing types of service.

Aggregate Capital Invested

Because of the great number of concerns in the Trucking Industry, the total capital investment can be only roughly estimated. When submitting its proposed Code of Fair Competition for the Trucking Industry, American Trucking Associations, Inc., estimated the value of some 3,230,000 trucks registered in this country in 1932 at approximately $1,687,900,000, and the value of the trailers at $165,200,000 making a total value of $1,853,100,000. The value of terminals, repair shops, garages, etc., owned by those engaged in transporting property by motor truck and used in connection therewith, was estimated at approximately $1,200,000,000. On this basis, the total investment in the Trucking Industry as of 1932 is estimated to have approximated $3,053,100,000. This figure, it must be understood, covers all trucking activity and not merely that covered by the Code.

Commodities Carried by Truck

The "Merchandise Traffic Report" by the staff of the Federal Coordinator

of Transportation includes classification of commodities handled by common carriers, contract carriers, and private owners. From data in Table III it has been computed that the common carrier and contract carrier groups, which were under the Code, handled only 16.8 per cent of the freight, while the private owner group, which was not subject to the Code, handled 83.2 per cent. The common carrier group is the more important group under the Code, as its members handled 10.2 per cent of the freight as compared with 6.6 per cent handled by the contract carrier group. By far the largest proportion of freight carried by common carrier--or 68.2 per cent--consisted of general merchandise. The business of contract carriers was also highly concentrated in the transportation of petroleum products, which accounted for 48.6 per cent of their total freight.

TABLE III

Kinds of Freight Handled, Classified by Three Types of Truckers, 1932 a/

Kind of Freight	Traffic Handled by: Common Carrier Tons	Common Carrier Per Cent	Contract Carrier Tons	Contract Carrier Per Cent	Private Owner Tons	Private Owner Per Cent
Total	3,211,255	100.0	2,081,055	100.0	26,252,232	100.0
Livestock	4,669	0.2	4,351	0.2	63,782	0.2
Milk	39,814	1.2	30,546	1.5	397,063	1.5
Fruits and vegetables	63,046	2.0	36,774	1.8	283,400	1.1
Cotton in bales	5,960	.2	8,107	.4	---	-
Other farm products	53,690	1.7	2,375	.1	970,184	3.7
Iron and steel products	183,205	5.7	55,611	2.7	196,426	.8
Building materials	39,211	1.2	145,945	7.0	1,284,763	4.9
Paper and paper products	123,242	3.8	35,159	1.7	47,113	.2
Coal	7,256	.2	55,371	2.7	604,826	2.3
Petroleum products	76,105	2.4	1,011,235	48.6	3,829,345	14.6
Tires and rubber	48,264	1.5	864	.0	20,212	.1
Automobiles	9,116	.3	14,789	.7	---	-
Furniture	8,261	.3	1,010	.1	2,025	.0
Household goods	39,889	1.2	6,816	.3	1,000	-
General merchandise	2,192,045	68.2	142,581	6.8	142,548	.5
Other	317,482	9.9	529,971	25.4	18,409,545	70.1

Source: Federal Coordinator of Transportation, Section of Transportation Service, "Merchandise Traffic Report" (1934).

a/ The number of concerns covered by this sample was: 190 common carriers, 63 contract carriers, and 148 private owners. Total vehicle miles covered was approximately 81,450,000, 20,721,000, and 141,253,000, respectively.

Proportion of Merchandise (L.C.L.) Moved by Truck

Data have been compiled by the Federal Coordinator of Transportation to indicate the proportion of less-than-carload lot merchandise shipped in trucks by 35,468 shippers in 1932. These shippers represented about a third of a group contacted through use of mailing lists obtained from manufacturers, commercial houses, and distributors (and therefore excluding farmers and other individuals).

The data as shown in Table IV indicate that, in 1932, 54 per cent of the tons shipped by the respondents was sent by truck, as against 32 per cent by railroad freight, the second most popular type of service. Most of the trucking was done on routes averaging fewer than 250 miles.

TABLE IV

Total Tons of Merchandise Shipped, Classified by Types of Transportation Service, 1932 a/

Type of Service	Tons	Per Cent of Total
Total	112,142,038	100
Railroad, L.C.L.	35,522,731	32
Forwarder	12,578,131	11
Express	3,477,235	3
Truck, total	60,563,941	54
Truck, 1-50 miles	29,525,143	26
Truck, 51-250 miles	24,868,400	22
Truck, over 250 miles	6,170,398	6

Source: Federal Coordinator of Transportation, Section of Transportation Service, "Merchandise Traffic Report" (1934).

a/ Analysis of reports received from 35,468 shippers.

Shippers' Reasons for Using Motor Trucks

The Federal Coordinator of Transportation also elicited from these 35,468 shippers their reasons for preferring to ship by motor truck. Many replies indicated more than one reason.

Store-door delivery, faster service, cheaper total cost, and store-door pickup were by far the reasons most frequently given for the use of motor trucks. Of these four, store-door delivery and faster service were the most important factors making this type of transportation popular with shippers

TABLE V

Shippers' Reasons for Using Motor Trucks,
With Number of Shippers Giving Each Reason,
and the Tonnage they Handled, 1932 a/

Reason	Responses Giving this Reason			
	Number	Per Cent of Total	Tonnage Handled	Per Cent of Total
Simpler classification of rates	5,664	16	28,185,610	25
Cheaper packing	7,521	21	30,522,851	27
Store-door pickup	18,027	51	60,293,671	54
Store-door delivery	23,008	65	74,933,479	67
Cheaper total cost	18,665	53	74,671,901	67
Faster service	25,095	65	82,302,031	73
More flexible or convenient service	15,118	43	68,512,668	61
Late acceptance of shipments	7,328	21	29,512,565	26
Less damage to or loss of freight	4,062	11	16,018,451	14
Personal friendship or interest	956	3	3,230,367	3

Source: Federal Coordinator of Transportation, Section of Transportation Service, "Merchandise Traffic Report" (1934).

a/ Analysis of reports received from 35,468 shippers.

Chapter II

LABOR STATISTICS

Estimated Total Truck Drivers

Figures showing the total number of employees in the entire Motor Truck Industry are not available. Estimates of the number of professional truck drivers, made by the National Automobile Association, are as follows:

TABLE VI

Number of Truck Drivers Employed
1929-1933

Year	Number of Truck Drivers Employed
1929	1,550,000
1930	2,150,000
1931	1,510,000
1932	1,500,000
1933	1,500,000

Source: National Automobile Association, Automobile Facts and Figures (1934).

Estimated Total Employees Under the Code

The operation of motor trucks requires the services of other employees in addition to drivers. As shown in Table VII, below, the 29,600 registrants under the Trucking Code who indicated that their operations crossed state line reported a total of 112,620 employees, or an average of 1.47 employees per vehicle. On the assumption that this average of 1.47 employees per vehicle held good for all the 300,475 for-hire vehicles registered under the Trucking Code, approximately 440,000 employees in that service are estimated to have been under the Code for this Industry.

Estimated Number of Employees of "Interstate" Registrants Under the Code

As already indicated, 112,600 employees were reported in 1934 by the 29,600 operators who were engaged in interstate operations. (See Table VII below.

Employees of "Interstate" Registrants Under the Code Classified by Nature of Business and Average Number of Employees per Registrant

From Table VII below, it may be seen that by far the largest number of employees, but not of registrants, fell in the mixed types group. The second largest number which was, however, less than half as large, was employed by contract carriers. The average number of workers employed by mixed types and by regular route common carriers was more than twice that for all groups combined, while the average for commodity carriers and for anywhere-for-hire operators was less than half the average for all "interstate" registrants. The number of employees per vehicle was noticeably high for the regular route common carriers.

TABLE VII

Employees of "Interstate" Registrants Under the Code, Classified by Nature of Business, and Average Number of Employees per Registrant, and per Vehicle, 1934

Nature of Business	Total Number Employed by "Interstate" Registrants	"Interstate" (Registrants) Number	"Interstate" (Registrants) Average Number of Employees Each	Vehicles of "Interstate" Registrants Number Owned and/or Operated	Vehicles of "Interstate" Registrants Average Number of Employees Each
Total	112,620	29,600	3.80	76,710	1.47
Common carrier:					
Regular route	17,937	2,343	7.66	8,859	2.02
Irregular route	10,414	4,048	2.57	7,801	1.33
Commodity carrier	2,244	1,198	1.87	1,813	1.24
Contract carrier	20,075	5,309	3.78	13,635	1.47
Anywhere-for-hire	17,111	10,534	1.62	14,922	1.15
City cartage	2,208	668	3.31	1,976	1.12
Mixed types	42,631	5,500	7.75	27,704	1.54

Source: American Trucking Association, Inc., Statistical Division, "Character and Extent of Interstate Operation of Motor Vehicles for the Transportation of Property For Hire" (1935).

Wages and Hours in the Trucking Industry Prior to the Code

Prior to the adoption of the Code, wages and hours of work in the Trucking Industry showed wide variations. They were somewhat more standardized among the common-carrier trucking companies. Data included in The American Transportation Problem (1933), published by the Brookings Institution, show the range of weekly hours and wages for organized workers employed by well-established truck companies in the cities named. The hours worked per week ranged from 48 to 67, with the seaboard cities having had shorter work-weeks than Chicago and St. Louis . The weekly wage, which ranged from $28.00 to $48.00, did not vary consistently either in direct or indirect relation to the hours of work.

TABLE VIII

Range of Hours Per Week and Weekly Wages of Organized Employees in Five Cities, 1933

City	Hours per Week	Weekly Wage
New York City	48 to 54	$41.00 to $47.50
Chicago	57 to 60	31.00 to 46.00
Boston	48 to 52	30.00 to 36.50
St. Louis	57 to 67	28.00 to 42.00
San Francisco	48.75	33.00 to 48.00

Source: The Brookings Institution, The American Transportation Problem (1933).

The Code provided a basic 48-hour week, but in case of emergency demands this could be increased. It will be noted by reference to Table VIII that the maximum number of hours prescribed as a basic week was actually approximately the minimum number of hours worked by organized employees in three of the five cities listed, and considerably below the minimum in the other two cities.

Additional data gathered by the Bureau of Labor Statistics from a representative sample of organized chauffeurs, teamsters, and drivers in 1932 and 1933 likewise indicate long hours of work--usually 53 or 54 per week.

TABLE IX

Average Union Wage Rate Per Hour and Average Full-Time Working Hours Per Week of Chauffeurs, Teamsters and Drivers
May 15, 1932 and May 15, 1933

	Average Union Wage Rate Per Hour		Average Full-Time Hours Per Week	
	May 15, 1932	May 15, 1933	May 15, 1932	May 15, 1933
Chauffeurs	$.711	$.664	53.1	52.8
Teamsters and Drivers	.785	.654	53.6	54.1
Average	.722	.663	53.2	53.0

Source: Bureau of Labor Statistics, Monthly Labor Review (June, 1934).

Hourly wage rates for the groups covered in Table IX averaged 72 cents per hour in the spring of 1932, and 66 cents a year later. These groups are not strictly comparable with those covered by the Code, and, furthermore, a comparison of these rates with Code rates is not feasible because of the fact that the Code wage varied with size of city.

Wages and Hours in For-Hire Trucking Firms Prior to the Code

The Bureau of Labor Statistics, in cooperation with the Federal Coordinator of Transportation, made a study in 1933 of wages and hours of 312 representative for-hire trucking firms throughout the country. These firms employed 7,129 wage-earners. It will be noted in Table X, below, that the number of days worked per week differed remarkably little between regions, while average hours per week, average hourly wage rates, and average weekly earnings differed considerably. Average hours were longest, while average hourly wage rates and average weekly earnings were lowest, in the East South Central and South Atlantic regions. The highest hourly wage rates and weekly earnings were in the Pacific and East North Central regions, but both regions were among those having long working hours per week.

In all regions, the hours actually worked exceeded those later established as the basic week by the Code. A comparison between the hourly wage rates actually paid in the Industry and those established by the Code is not feasible as has previously been pointed out.

TABLE X

Average Days and Hours Per Week,
Average Hourly Wages, and Averages Weekly Earnings,
for For-Hire Truck Employees, by
Regions, July, 1933

Region	Average Days Worked Per Week	Average Number of Hours Per Week	Average Hourly Wage	Average Weekly Earnings
U. S. Total	5.6	51.0	$.437	$22.31
New England	5.3	50.3	.480	24.12
Middle Atlantic	5.4	51.3	.473	24.26
East North Central	5.6	51.1	.493	25.22
West North Central	5.6	51.0	.427	21.78
South Atlantic	5.6	51.6	.353	18.22
East South Central	5.7	52.5	.327	17.17
West South Central	5.7	49.9	.394	19.65
Mountain	5.7	48.8	.477	23.28
Pacific	5.8	51.0	.533	27.14

Source: Compiled from data of the Bureau of Labor Statistics, published in "Monthly Labor Review," (June 1934).

Chapter III

THE INTERSTATE CHARACTER OF THE INDUSTRY

Estimate of Total For-Hire Trucks in Intrastate Operations

In July, 1935, the Statistical Division of American Trucking Associations, Inc., estimated that the total number of for-hire trucks engaged in intrastate operations was 220,500. The basis for that estimate is hereinafter indicated. When presenting those figures, the Division stated that they were arbitrarily arrived at, and they must be accepted as estimates only.

(1) The Division estimated that the number of dump trucks engaged in intrastate operations equalled 15 per cent of all vehicles for hire.

(2) The Division found that approximately 13 per cent of all vehicles registered under the Code were engaged in local cartage work exclusively. Giving consideration to that fact, it estimated that 10 per cent of the trucks registered represented the number engaged in purely intrastate local-cartage operations.

(3) The Division estimated that the number of trucks used by contract carriers who were engaged in intrastate operations equalled 10 per cent of the total number of for-hire vehicles registered.

(4) Intrastate anywhere-for-hire operators were estimated to control 14 per cent of the total trucks registered.

Applying these percentages, which total 49, to the estimated total number of for-hire trucks, it is found that 220,500 trucks were classified as engaged in intrastate operations. (See Table XI, below.)

Estimate of Total For-Hire Trucks "Engaged in or Affecting" Interstate Commerce

The number of trucks operating in purely intrastate commerce, as previously estimated, has been deducted from the estimated total number of for-hire trucks (450,000) to give the number of for-hire trucks "engaged in or affecting" interstate commerce. Table XI, below, shows this figure to be 229,500.

TABLE XI

Estimated Total For-Hire Trucks Classified by the Intrastate and Interstate a/ Character of Their Operations, 1935

Type of Operation	Trucks	
	Percentage	Number
Intrastate Operation, Total	49	220,500
Dump trucks	15	67,500
Local cartage	10	45,000
Contract carriers	10	45,000
Anywhere-for-hire	14	63,000
Interstate Operation, a/ Total	51	229,500
Total	100	450,000

Source: American Trucking Association, Inc., Statistical Division, "Character and Extent of Interstate Operation of Motor Vehicles for the Transportation of Property For-Hire" (1935).

a/ "Interstate" operations are taken to include both those "engaged in" or "affecting" interstate commerce.

Interstate Operations "Engaged in" by Registrants Under the Code

As already indicated, 100 per cent registration of the operators under the Code of Fair Competition for the Trucking Industry was not obtained. However, of the estimated 186,630 operators registered, 29,600, or nearly 16 1/ per cent reported that they were engaged in interstate activity. Of the 300,475 vehicles registered, 76,810, or approximately 26 per cent, were owned and/or operated by registrants who reported that they were engaged in interstate transportation. Not all the vehicles owned by these operators were engaged in interstate transportation, but 58,367 vehicles, or approximately 20 per cent of the total number registered, were reported actually to have been operated across state lines. It should be noted that this latter figure is, in part, an estimate, due to the fact that about 10 per cent of the 29,600 registrants who reported that they were engaged in interstate operations failed to report the number of vehicles involved. For the group failing to report, the number was estimated on the basis of the ratio indicated by those operators in the same state who did report the number of vehicles so operated. 2/ A summary of the interstate character of the Industry is presented in the following table.

1/ In the report of the American Trucking Association, Inc., already cited, this percentage was erroneously given as 10 per cent and the error was acknowledged when attention was directed to it by the Statistics Section, NRA.

2/ American Trucking Associations, Inc., Statistical Division, "Character and Extent of Interstate Operations of Motor Vehicles for the Transportation of Property For-Hire" (1935).

TABLE XII

Number of Total and "Interstate" Registrants Under the Code; Vehicles Owned and/or Operated by "Interstate" Registrants, and Vehicles that Crossed State Lines, 1934

	Number	Per Cent of Total
Registrants Under the Code		
U. S. Total	136,630 a/	--
"Interstate" Registrants	29,600	15.9
Vehicles Registered Under the Code		
U. S. Total	300,475	--
Owned or Operated by "Interstate" Registrants	76,810	25.6
Operated across State Lines	58,367	19.4

Source: Compiled from American Trucking Association, Inc., Statistical Division, "Character and Extent of Interstate Operation of Motor Vehicles For the Transporting of Property For Hire" (1935).

a/ Estimated as indicated above, p. 7.

By applying the percentages given in Table XII to the estimated total of 450,000 for-hire trucks, it is estimated that there were in all some 71,550 "interstate" operators of for-hire trucks; and that they own or operated 112,000 trucks, 90,000 of which actually crossed state lines. The latter figure does not include trucks whose operations only "affected" interstate commerce, and therefore is considerably lower than the estimate given in Table XI, above, which includes such operations.

Classification of "Interstate" Registrants Under the Code, by Regions

The following table shows registrants under the Code, who reported that they were engaged in interstate operations, classified by regions. The percentage distribution shows that nearly 70 per cent of these registrants were located in the Middle Atlantic, East North Central, and West North Central states.

TABLE XIII

Classification of "Interstate" Registrants
Under the Code, by Regions, 1934

Region	"Interstate" Registrants	
	Number	Per Cent
U. S. Total	29,600	100.0
New England	2,275	7.7
Middle Atlantic	7,343	24.8
East North Central	7,003	23.7
West North Central	5,888	19.9
South Atlantic	3,685	12.4
East South Central	909	3.1
West South Central	880	3.0
Mountain	907	3.0
Pacific	710	2.4

Source: American Trucking Associations, Inc., Statistical Division "Character and Extent of Interstate Operation of Motor Vehicles for the Transportation of Property For-Hire" (1935).

Classification of "Interstate" Vehicles
Under the Code, by Regions

While "interstate" registrants owned and/or operated 25.6 per cent of the total vehicles registered under the Code in the United States as a whole, they owned 34, 32, and 30 per cent, respectively, of the total vehicles so registered in the Middle Atlantic, South Atlantic, and West North Central states. In the Pacific states, on the other hand, they owned only about 9 per cent.

In the three regions, Middle Atlantic, South Atlantic, and West North Central, the percentage of cars actually crossing state lines was noticeably higher than the average of 19.4 for the country as a whole, and the Pacific states were again much below the average. The percentage distribution shows, however, that concentration was less marked in the case of "interstate" vehicles than in the case of "interstate" registrants.

TABLE XIV

Total Vehicles Registered, Compared with Vehicles Owned or Operated by "Interstate" Registrants Under the Code, and Vehicles Operated Across State Lines, by Regions, 1934

Region	Total Vehicles Registered Under Code		Vehicles Owned by "Interstate" Registrants			
			Total		Operated Interstate	
	Number	Per Cent of U. S. Total	Number	Per Cent of Total Under Code in Region	Number	Per Cent of Total Under Code in Region
U. S. Total	300,475	100.0	76,810	25.6	58,367	19.4
New England	34,021	11.3	8,004	23.5	5,660	16.6
Middle Atlantic	66,740	22.2	22,705	34.0	16,764	25.1
East North Central	77,187	25.8	17,775	23.0	13,902	18.0
West North Central	38,972	13.0	11,940	30.6	9,237	23.7
South Atlantic	23,874	7.9	7,677	32.2	6,330	26.5
East South Central	8,200	2.7	2,011	24.5	1,603	19.6
West South Central	12,387	4.1	2,442	19.7	1,819	14.7
Mountain	11,611	3.9	1,831	15.8	1,448	12.5
Pacific	27,483	9.1	2,425	8.8	1,604	5.8

Source: American Trucking Associations, Inc., Statistical Division, "Character and Extent of Interstate Operation of Motor Vehicles for the Transportation of Property For-Hire" (1935).

Classification of "Interstate" Registrants
Under the Code, by Nature of Business

The following table gives a classification of the 29,600 "interstate" registrants under the Code according to the nature of their business. It also shows the total number of vehicles operated by the registrants in each class, together with the number actually operated across state lines.

It will be noted that more than one-third of the registrants fell in the "anywhere-for-hire" group, but that the largest number of total vehicles and also of those operated interstate were controlled rather by members of the mixed type group.

TABLE XV

Classification of "Interstate" Registrants Under the Code, by Nature of Business, Together with Total Vehicles Owned or Operated, and the Number Crossing State Lines, 1934

Nature of Business	Total "Interstate" Registrants		Vehicles Owned and/or Operated			
			Total		Interstate a/	
	Number	Per Cent of Total	Number	Per Cent of Total	Number	Per Cent of Total
Total	29,600	100.0	76,810b/	100.0	58,367	100.0
Common Carrier, Regular Route	2,343	7.9	8,859	11.5	6,781	11.6
Common Carrier, Irregular Route	4,048	13.7	7,801	10.2	6,809	11.7
Contract Carrier	5,309	17.9	13,635	17.8	10,810	18.5
Commodity Carrier	1,198	4.0	1,813	2.4	1,566	2.7
Anywhere-for-Hire	10,534	35.6	14,922	19.4	13,752	23.6
City Cartage	668	2.3	1,976	2.6	1,444	2.5
Mixed Types	5,500	18.6	27,704	36.1	17,205	29.4

Source: American Trucking Associations, Inc., Statistical Division, "Character and Extent of Interstate Operations of Motor Vehicles for the Transportation of Property for Hire" (1935).

a/ The number of vehicles operated across state lines is, in part, estimated as explained above. See above, pp.20-21.

b/ The figures are here reproduced as they were published in the report cited. This column actually adds to 76,710, which probably means that one item is stated at 100 less than it should be. The percentages, which were apparently computed against the correct total, may therefore not in all cases be completely accurate.

Classification of "Interstate" Vehicles
Under the Code, by Region and Nature of Business

Table XVI below, shows the actual distribution of the 58,367 vehicles registered under the Code as operating across state lines, among the nine geographical regions listed. The nature of the business involved is also shown. A percentage distribution of these data is presented in Table XVII, below.

From the latter table it has been computed that, for the United States as a whole, the vehicles used in common carrier, anywhere-for-hire, and mixed type services comprised approximately 76 per cent of the total number of vehicles operating across state boundaries. More than 70 per cent of the vehicles engaged in common carrier and mixed type operations were located in the states east of the Mississippi and north of the Ohio and Potomac Rivers. The "anywhere-for-hire" operators were more widely scattered and only about 47 per cent of the vehicles were located in that region.

TABLE XVI

Classification of "Interstate" Vehicles Registered Under the Code, by Region and Nature of Business, 1934

Region	Total	Nature of Business: Common Carrier Regular	Common Carrier Irregular	Commodity	Contract	Anywhere-for Hire	City Cartage	Mixed Types
U. S. Total	58,367	6,781	6,809	1,566	10,810	15,752	1,444	17,205
New England	5,660	541	359	29	823	1,169	72	2,667
Middle Atlantic	16,764	1,520	3,708	161	2,920	2,255	772	5,428
East North Central	13,902	2,441	1,213	160	3,212	2,979	155	3,742
West North Central	9,237	554	680	573	1,456	3,230	376	2,368
South Atlantic	6,330	402	252	91	1,098	2,947	33	1,507
East South Central	1,603	368	119	10	363	336	19	388
West South Central	1,819	378	323	328	173	271	5	351
Mountain	1,448	217	107	220	248	279	3	374
Pacific	1,604	360	48	4	517	286	9	380

Source: American Trucking Associations, Inc., Statistical Division, "Character and Extent of Interstate Operation of Motor Vehicles for the Transportation of Property for Hire" (1935).

TABLE XVII

Percentage Classification of "Interstate" Vehicles Registered Under the Code, by Region and Nature of Business, 1934

Region	Total	Nature of Business: Common Carrier Regular	Common Carrier Irregular	Contract Carrier Commodity	Contract Carrier Contract	Anywhere-for-Hire	City Cartage	Mixed Types
U. S. Total	100.0	11.6	11.7	2.7	18.5	23.6	2.4	29.5
New England	9.6	0.9	0.6	0.0	1.4	2.0	0.1	4.6
Middle Atlantic	28.3	2.6	6.4	0.2	5.0	3.9	1.3	9.3
East North Central	23.9	4.2	2.1	0.3	5.5	5.1	0.3	6.4
West North Central	15.5	0.9	1.2	1.0	2.5	5.5	0.6	4.1
South Atlantic	10.9	0.7	0.4	0.2	1.9	5.0	0.1	2.6
East South Central	2.7	0.6	0.2	0.0	0.6	0.6	0.0	0.7
West South Central	3.1	0.7	0.5	0.5	0.3	0.5	0.0	0.6
Mountain	2.5	0.4	0.2	0.4	0.4	0.5	0.0	0.6
Pacific	2.7	0.6	0.1	0.0	0.9	0.5	0.0	0.6

Source: American Trucking Associations, Inc., Statistical Division, "Character and Extent of Interstate Operations of Motor Vehicles for the Transportation of Property for Hire" (1935).

Classification of "Interstate" Registrants Under the Code, by Number of Trucks Operated

As will be seen from Table XVIII, below, by far the greatest number of the 29,600 "interstate" operators registered under the Code own but one vehicle each, and approximately 92 per cent of them do not own more than five vehicles. It will be noted that a much smaller proportion - only about 52 per cent - of total vehicles are owned by operators having no more than 5 vehicles.

TABLE XVIII

Classification of "Interstate" Registrants under the Code, by Size of Fleet, Together with Total Vehicles Operated, 1934

Size of Fleet	Registrants		Vehicles Operated	
	Number	Per Cent of Total	Number	Per Cent of Total
1 Vehicle	19,780	66.8	19,780	25.8
2 Vehicles	4,282	14.5	8,564	11.1
3-5 Vehicles	3,272	11.1	11,864	15.4
6-10 Vehicles	1,230	4.2	9,264	12.1
11-25 Vehicles	750	2.5	11,976	15.6
Over 25 Vehicles	286	.9	15,362	20.0
Total	29,600	100.0	76,810	100.0

Source: American Trucking Associations, Inc., Statistical Division, "Character and Extent of Interstate Operations of Motor Vehicles for the Transportation of Property for Hire" (1935).

Average Length of Route Involved in Interstate Operations

In common and contract carrier trucking operations, regularly scheduled runs in excess of 500 miles are not infrequent. Trucking companies frequently publish joint tariffs or rate schedules and operate on through schedules.

Questionnaires sent out by the Code Authority for the purpose of obtaining information relative to hours worked by truck employees, brought replies showing one-way mileage of vehicles on interstate routes on which the round trips could not be completed in 8 hours. These questionnaires, which were apportioned (1) among the several states, and (2) among the different types of operators in each state, brought approximately a 10 per cent return. Approximately 55 per cent of these returns, which came from 29 states, contained such data. These data, as summarized in Table XIX, below, give some indication of the distances involved in interstate operations, but do not permit the determination of average length of route. 1/ The classification of regions by length of routes involved shows a noticeable concentration for nearly all regions in the three groups: 51-100, 101-150, and 151-200. In the Mountain and Pacific states, the proportion of vehicles engaged in hauls of more than 250 miles was marked.

1/ These data are summarized in the report of the National Code Authority, April, 1935, relative to an eight-hour day for the Trucking Industry.

TABLE XIX

Classification of Regions by Length of Routes (One Way)
of "Interstate" Vehicles Operating "Short" a/ Routes, 1934
(In Per Cent)

Length of Route (In miles)	New England Middle Atlantic	East-North Central	West-North Central	South Atlantic-East South Central	West South Central	Mountain	Pacific
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
0 - 50	19.3	--	9.7	4.3	--	--	--
51 - 100	--	[illegible].8	14.5	17.1	--	25.0	33.4
101 - 150	31.3	37.5	30.6	23.4	100.0	25.0	--
151 - 200	37.3	21.9	14.5	45.3	--	--	--
201 - 250	--	12.5	8.1	1.7	--	--	--
251 - 300	--	2.1	3.2	1.7	--	50.0	--
Over 300	12.1	5.2	19.4	6.8	--	--	66.6

Source: Report of the National Code Authority for the Trucking Industry, April 1, 1935.

a/ "Short" routes are here defined as routes on which a round trip cannot be completed within 8 hours.

Table XX, below, is also suggestive in connection with the average length of haul involved in interstate operations because it shows that 87 per cent of the out-of-state trucks seen in the western states specified were registered in states east of the Mississippi. These trucks were obviously operating on long hauls. In 1930, the percentage of such trucks was especially high for California, where trucks came in from all states and geographical regions, excepting New Mexico and the New England states.

TABLE XX

Percentage of Total Number of Out-of-State Trucks Observed in Each of 11 Western States, Which Were Registered East of the Mississippi River, 1930

State	Percentage of Total Out-of-State Trucks Registered East of Mississippi River
Total	87.0
Arizona	9.6
California	15.6
Colorado	9.3
Idaho	4.1
Nebraska	13.7
Nevada	1.5
New Mexico	4.6
Oregon	2.6
Utah	8.7
Washington	7.6
Wyoming	9.6

Source: U. S. Bureau of Public Roads, "Report of a Survey of Traffic on the Federal-Aid Highway System of Eleven Western States" (1930).

Chapter IV

TRADE PRACTICES

Trade Practices Under the Code

The Code of Fair Competition for the Trucking Industry undertook to establish within that Industry certain trade practice rules. Provision was also made that other trade practice rules, which were considered necessary to prevent unfair competition, could be formulated through trade agreements among members of the Industry, and subject to rules and regulations established by the National Code Authority, with the approval of the Administrator.

In any industry as widespread as this, and including such a large proportion of owner-operators, the establishing of trade practice rules must of necessity have been gradual. Apparently at the outset the National and State Code Authorities place greater emphasis upon registration and the filing of rates and rariffs than they did upon trade practices. The length of time that the Code was in effect did not permit of any great progress in the matter of obtaining universal acceptance of the rules as promulgated.

Due to the lack of specific information as to the extent that the trade practice rules of the Code were followed by the Industry, no concrete appraisal of this matter can be given. Opinions which have been expressed in various conferences and public hearings by members of the Industry are to the effect that the discriminations and rebating which are extensively practiced within this Industry brought about a chaotic condition. However, factual data in support of this belief are scarce.

Chapter V

GENERAL INFORMATION

Trade Associations

Trade associations of motor truck operators exist in nearly every state, and in several states there are a half dozen or more of such associations. The American Trucking Association, Inc., is probably the largest and is composed of affiliated state organizations. It was formed in 1933 by the amalgamation of the American Highway Freight Association and the Federated Truck Association of America. While the Code of Fair Competition proposed for the Trucking Industry was under consideration, the president of the American Trucking Association, Inc., reported that as of November, 1933, it included 90 associations having a total membership of more than 38,000.

Many of these trade associations represented special groups within the Industry. Some of these were the associations for dump truck owners, certified highway carriers, harbor franchise carriers, city cartage, milk transportation, transfer and warehouse service, scavenger service, and agricultural transportation. These were organized in some instances into strong groups, while others had but loosely constructed and unstable organizations.

List of Experts

Three of the many names that could be included in a list of those qualified to speak of certain aspects of the Trucking Industry are:

Professor John W. Worley,	University of Michigan, Ann Arbor, Michigan.
J. Rowland Bibbins,	Consulting Engineer, Washington, D. C.
L. E. Peabody,	Division of Highway Transport, U. S. Bureau of Public Roads, Washington, D. C.

Each of these is a recognized authority and is the author of reports and other published data relating to highway transport. Their names are given here without their knowledge or consent.